

Message Text

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C O N F I D E N T I A L SECTION 1 OF 9 OSLO 1540

E.O. 11652: GDS
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SUBJECT: PARM 1977 ANNUAL POLICY AND RESOURCE ASSESSMENT FOR
NORWAY - PART I

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SUMMARY: THE PRIMARY U.S. INTEREST IN NORWAY DERIVES FROM THE
COUNTRY'S STRATEGIC GEOGRAPHICAL LOCATION; ADDITIONAL INTERESTS STEM
FROM OUR SIMILAR MORAL AND CULTURAL VALUES, OUR MUTUAL MEMBERSHIP
IN THE COMMUNITY OF WESTERN INDUSTRIAL DEMOCRACIES AND FROM NORWAY'S
GROWING ROLE AS AN OIL EXPORTING NATION. THE U.S. AND NORWAY ARE
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CLOSE ALLIES AND WE BELIEVE THE PROSPECT FOR FURTHERING OUR
INTERESTS HERE ARE FAVORABLE. NORWAY WILL CONTINUE TO GIVE CON-
STRUCTIVE SUPPORT TO NATO WHILE RELYING HEAVILY ON ITS CLOSE
BILATERAL TIES WITH THE U.S. NORWEGIANS WILL BACK INTERNATIONAL
EFFORTS TO PROMOTE HUMAN RIGHTS AND THE FULL OBSERVANCE OF CSCE.
THEY WILL BE SYMPATHETIC TO AND GENERALLY SUPPORTIVE OF U.S.
INITIATIVES ON MAJOR MULTILATERAL ISSUES SUCH AS RESTRICTING

CONVENTIONAL ARMS TRANSFERS AND NUCLEAR PROLIFERATION. THEY WILL CONTINUE TO JOIN CONSTRUCTIVELY IN MEASURES TO DEAL WITH OTHER GLOBAL PROBLEMS SUCH AS THE LAW OF THE SEAS.

DEVELOPMENTS WHICH WILL MOST PROMINENTLY AFFECT NORWAY'S FOREIGN RELATIONS IN THE IMMEDIATE FUTURE WILL BE THE STATE OF EAST-WEST RELATIONS AND THEIR IMPACT ON NORWAY'S CONTINUING PROBLEMS WITH THE USSR ON NORTHERN ISSUES; THE DISLOCATIONS IN ITS OTHERWISE SOUND ECONOMY CAUSED BY HIGH LABOR COSTS; AND THE SEPTEMBER NATIONAL ELECTIONS. WE CAN BEST PROMOTE U.S. OBJECTIVES BY SEEKING TO EXPAND NORWAY'S ACTIVITIES IN AND SUPPORT FOR THE NATO ALLIANCE, SPECIFICALLY BY ENCOURAGING THE GON TO INCREASE ITS DEFENSE FUNDING, BACKING NORWAY AS APPROPRIATE IN ITS STRAINED RELATIONS WITH THE USSR, BROADENING NORWEGIAN SUPPORT FOR U.S. VIEWS, AND STRANGTHENING OUR BILATERAL TIES. KEY EARLY INITIATIVES TO ACCOMPLISH THESE OBJECTIVES ARE A PRESIDENTIAL MEETING WITH PRIME MINISTER NORDLI AT THE NATO SUMMIT, A VICE PRESIDENTIAL VISIT TO NORWAY, AND STOPPING OR MODIFYING PROPOSED U.S. OIL CARGO PREFERENCE LEGISLATION. END SUMMARY.

I. LONG TERM U.S. INTERESTS IN NORWAY: U.S. LONG TERM INTERESTS IN NORWAY ACCORD DIRECTLY WITH BROAD U.S. INTERESTS IN NATO AND EUROPE AND GENERALLY WITH THE IMPORTANT GLOBAL ISSUES IDENTIFIED BY DEPARTMENT'S BROAD TRENDS FORECAST.

A. SECURITY: OUR MAJOR INTEREST IN NORWAY DERIVES FROM NORWAY'S STRATEGIC GEOGRAPHICAL POSITION ASTRIDE THE SOVIET NAVY'S TWO MAIN EXITS TO THE ATLANTIC AND BORDERING THE SOVIET UNION'S MAJOR MILITARY COMPLEX ON THE KOLA PENINSULA. OUR MUTUAL INTEREST
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IN NORWAY'S SECURITY AND OUR BILATERAL MILITARY COOPERATION FORM THE NUCLEUS OF THE U.S.-NORWEGIAN RELATIONSHIP. IN ADDITION, NORWAY'S MARITIME RESOURCES--ITS LARGE AND MODERN MERCHANT FLEET AND NEWLY-OPENED OFFSHORE OIL FIELDS--ADD ANOTHER POTENTIAL STRATEGIC DIMENSION TO OUR INTERESTS. A PRINCIPAL OBJECTIVE OF OUR POLICY IS, THEREFORE, TO STRENGTHEN U.S.-NORWEGIAN DEFENSE RELATIONS, NORWAY'S COMMITMENT TO NATO AND THE EFFECTIVENESS OF THE NORWEGIAN DEFENSE EFFORT.

B. SHARED RESPONSIBILITY IN COMMUNITY OF INDUSTRIALIZED WESTERN DEMOCRACIES: NORWEGIAN SOCIETY SUBSCRIBES TO THE CONSTELLATION OF DEMOCRATIC IDEALS AND CULTURAL VALUES WHICH ARE THE BEDROCK OF WESTERN DEMOCRATIC SOCIETY. NORWAY THEREFORE USUALLY SHARES U.S. GOALS ON MAJOR INTERNATIONAL QUESTIONS AND GENERALLY ACTS TO SUPPORT OUR BROAD EUROPEAN AND GLOBAL INTERESTS. WE EXPECT NORWAY WILL CONTINUE TO BE ACTIVE IN PROMOTING HUMAN RIGHTS AND TO SUPPORT OUR EFFORTS IN THIS FIELD. WE CAN COUNT ON NORWEGIAN SUPPORT, TOO, IN OUR ATTEMPT TO RESTRAIN ARMS SALES AND NUCLEAR PROLIFERATION. WE ALSO BELIEVE NORWEGIANS WILL JOIN US IN MEASURES TO DEAL WITH

OTHER GLOBAL PROBLEMS SUCH AS ENVIRONMENT, OCEANS, NARCOTICS,
AND RESOURCE MANAGEMENT THOUGH IT IS POSSIBLE WE MAY FIND THE
GON DISAGREEING WITH US ON SOME ASPECTS OF NORTH-SOUTH ISSUES.
WE SHOULD NOT TAKE THEIR SUPPORT FOR GRANTED AND SHOULD CONTINUE
TO CONSULT OPENLY AND CANDIDLY WITH THEM ON OUR POLICY.

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C. ECONOMIC: NORWAY'S ECONOMY IS SMALL AND ITS IMPACT
ON THE U.S. IS MODEST, BUT THE COUNTRY'S ECONOMIC GROWTH IS
IMPRESSIVE. ALREADY ONE OF THE WORLD'S RICHEST NATIONS PER CAPITA AND
SOON TO BE THE LARGEST NON-OPEC OIL EXPORTER, NORWAY WILL BE EVEN
WEALTHIER AS SHE EXPLOITS HER OFFSHORE OIL RESOURCES. NORWAY'S
ECONOMIC GROWTH OFFERS SEVERAL OPPORTUNITIES TO PROMOTE U.S.
INTERESTS HERE. IN ADDITION TO MAKING NORWAY A MORE ATTRACTIVE
MARKET FOR U.S. GOODS AND INVESTMENT, NORWAY'S WEALTH SHOULD MAKE
IT POSSIBLE FOR HER TO PROVIDE ADDITIONAL RESOURCES FOR HER
DEFENSE, TO CONTRIBUTE TO WESTERN ENERGY RESERVES AND DEVELOPMENT
AID,
AND TO BROADEN CONSTRUCTIVE COMMERCIAL RELATIONS WITH OTHER
NATIONS ESPECIALLY NORWAY'S NORTH SEA NEIGHBORS. NORWAY'S

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INCREASED ECONOMIC STRENGTH SHOULD ALSO ALLOW HER TO PLAY A LARGER INTERNATIONAL ECONOMIC AND POLITICAL ROLE ON ISSUES SUCH AS THE NORTH-SOUTH DIALOGUE. THE UPSWING IN THE ECONOMY HAS BROUGHT MORE AMERICANS TO NORWAY AND MORE NORWEGIANS ARE VISITING THE U. . THIS IS DUE IN PART TO THE MANY FAMILIES TIES BETWEEN NORWEGIANS AND AMERICANS. THIS YEAR OUR ISSUANCE OF NON-IMMIGRANT VISAS IS UP 40 PERCENT OVER LAST YEAR'S LEVEL; PASSPORT ISSUANCES ARE UP 20 PERCENT, AND FURTHER INCREASES ARE EXPECTED BECAUSE OF ACTIVE TRADE STIMULATION BY COMMERCIAL TOUR INTERESTS IN BOTH COUNTRIES.

II THE OVERVIEW:

A. THE CONTEXT OF OUR RELATIONSHIP WITH NORWAY: OVER THE COMING YEARS WE BELIEVE THE SIGNS ARE GENERALLY FAVORABLE FOR FURTHERING U.S. INTERESTS IN NORWAY. FOR THE PAST THIRTY YEARS, NORWAY HAS BEEN ONE OF OUR MOST LOYAL ALLIES IN WESTERN EUROPE. WE SHARE A WIDE RANGE OF INTERESTS, AND OUR FOREIGN POLICIES PARALLEL EACH OTHER CLOSELY. BILATERAL RELATIONS ARE GOOD AND SOUNDLY BASED; PROBLEMS ARE INFREQUENT AND SERIOUS DIFFICULTIES DO NOT EXIST. OUR CLOSE FRIENDSHIP PROVIDES FOR AN OPEN, CANDID EXCHANGE OF VIEWS. NORWAY'S OWN POLITICAL SITUATION IS STABLE AND ITS ECONOMIC OUTLOOK GENERALLY POSITIVE, ALTHOUGH THERE ARE LOCALIZED PROBLEMS.

INTERNATIONALLY, THE NORWEGIANS SHARE WITH US COMMON AIMS EVEN THOUGH THEY ARE STILL ONE OF THE MOST TRADITION-BOUND AND HISTORICALLY INSULAR NATIONS IN EUROPE. UNTIL WORLD WAR II, THIS COUNTRY'S FOREIGN POLICY WAS NEUTRALIST AND AT TIMES ISOLATIONIST. THESE TENDENCIES HAVE NOT ENTIRELY DISAPPEARED AND A BEDROCK OF INSULARITY STILL UNDERLINES NORWEGIANS FOREIGN AND SECURITY ATTITUDES. THIS WAS EVIDENCED IN 1972 WHEN NORWEGIANS VOTED AGAINST EEC MEMBERSHIP: IT SURFACED A YEAR AGO DURING THE DEBATE ON IEA MEMBERSHIP. NONETHELESS, THE BROAD TREND IN NORWAY OVER THE PAST THIRTY YEARS HAS BEEN HER PROGRESSIVELY EXPANDING ENGAGEMENT IN INTERNATIONAL AFFAIRS.

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THIS TREND IS IN OUR INTEREST. ANY REVERSAL OF IT COULD HAVE POTENTIALLY SERIOUS RAMIFICATIONS FOR U.S. POLICY HERE.

NORWAY'S POST-WAR FOREIGN POLICY IS BASED ON THREE MAJOR PILLARS: (1) SUPPORT FOR A COOPERATIVE INTERNATIONAL FRAMEWORK TO RESOLVE DISPUTES AND FOR INTERNATIONAL ORGANIZATIONS IN GEN-

ERAL; (2) CLOSE REGIONAL COLLAORATION WITH THE NORDIC COMMUNITY OF NATIONS; AND (3) SECURITY THROUGH THE NATO ALLIACNE SUPPLEMENTED BY FIRM BILATERAL TIES WITH, AND COMMITMENTS FROM, THE U.S.

1. NORWAY AND INTERNATIONAL ORGANIZATIONS

NORWAY'S SUPPORT FOR THE UN AND ITS PEACEKEEPING EFFORTS HAS BEEN VIGOROUS. IN INTERNATIONAL AFFAIRS, NORWAY HAS SOUGHT TO FOSTER A BRIDGEBUILDER ROLE BETWEEN LDCS AND INDUSTRIALIZED NATIONS AND TO ADMINISTER A GROWING, GENEROUS, NON-POLITICAL FOREIGN AID PROGRAM. NORWAY PLAYS A CONSTRUCTIVE ROLE ON NUMEROUS MULTILATERAL ISSUES OF INTEREST TO THE USG--LOS, DISARMAMENT, AND ENVIRONMENTAL PROTECTION. IT CHAMPIONS HUMAN RIGHTS, THOUGH IT S PUBLIC ADVOCACY WILL ALMOST CERTAINLY BE MODERATED BY THE GOVERNMENT'S CONCERN ABOUT THE POSSIBLE REACTION OF THE SOVIET UNION TO AN OVERLY AGGRESSIVE POLICY.

2. NORWAY, THE NORDICS AND EUROPE

NORWAY FINDS TIES WITH FELLOW NORDIC NATIONS EASY. THERE ARE COMMON POLITICAL, ECONOMIC, SOCIAL, CULTURAL AND LINGUISTIC BONDS ALTHOUGH DIFFERENT NATIONAL INTERESTS HAVE LED TO DIFFERENT FOREIGN AND DEFENSE POLICIES. NORWAY'S APPROACH TO MAINLAND EUROPE IS STILL STANDOFFISH, AS THE 1972 EEC REFERENDUM REMINDS US. NORWAY IS A MEMBER OF THE EFTA AND CAUTIOUSLY CULTIVATES CLOSER TIES IN EUROPE, THOUGH IN MANY RESPECTS THIS COUNTRY FACES ACROSS THE SEA--TO BRITAIN AND TO THE U.S. --RATHER THAN SOUTH. THE LABOR PARTY, ON THE OTHER HAND, DOES HAVE CLOSE TIES WITH ITS SOCIAL DEMOCRATIC COLLEAGUES IN EUROPE. THESE CONNECTIONS CAN USEFULLY BROADEN NORWAY'S ENGAGEMENT IN EUROPEAN AFFAIRS AS HAS CONFIDENTIAL

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BEEN THE CASE IN NORWAY'S FINE SUPPORT FOR THE SOCIAL DEMOCRATIC GOVERNMENT IN PORTUGAL. POSSIBLY NORWAY CAN BE MOVED TO A MORE RECEPTIVE ATTITUDE TOWARD SPAIN THROUGH SIMILAR POLITICAL TIES THERE, ALTHOUGH IT WILL TAKE TIME TO ERASE STRONG EMOTIONAL AND IDEOLOGICAL VIEWS ON SPAIN. ON THE OTHER HAND, TO THE EXTENT THAT SOCIAL DEMOCRATICPARTIES IN EUROPE ADVOCATE POLICIES NOT IN ACCORD WITH U.S. INTERESTS, THESE TIES MAY PROVE LESS USEFUL--OR EVEN COUNTERPRODUCTIVE--TO US.

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3. NORWAY, NATO AND THE U.S.

U.S. -NORWEGIAN RELATIONS ARE MOST FIRMLY ESTABLISHED IN THE SECURITY FIELD, AND HERE NORWAY'S RELIANCE ON THE U.S. IS GREATESTMM. NORWEGIANS SEE THEMSELVES AS A SMALL POWER BETWEEN THE SUPER POWERS. THEY BELEIVE THEIR NATIONAL SECURITY IS BEST PRESERVED BY A POLICY WHICH BALANCES DETERRENCE PROVIDED BY NATO MEMBERSHIP AND ANCHORED IN CLOSE BILATERAL TIES WITH THE U.S. WITH A NON-PROVOCATIVE ATTITUDE TOWARD THE USSR. PART OF THIS DELICATELY-TUNED POLICY IS TO BALANCE ACTIVE MEMBERSHIP IN NATO WITH NORWAY'S RESTRICTIONS ON THE STOCKPILING OF NUCLEAR WEAPONS AND STATIONING OF FOREIGN TROOPS IN NORWAY DURING PEACE-TIME, AND WITH RESTRICTIONS ON MILITARY EXERCISES AND OPERATIONS
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IN THE NORTH. NORWEGIANS BELEIVE THIS POLICY IS ALSO ESSENTIAL TO HER BROADER REGIONAL SECURITY INTERESTS, CHARACTERIZED BY THE SO-CALLED NORDIC BALANCE OF FINLAND'S NEUTRALITY AND TREATY TIES TO THE USSR. NORWAY/ICELAND/DENMARK'S NATO MEMBERSHIP AND SWEDEN'S NON-ALIGNMENT. THE NORWEGIANS ARE CONCERNED THAT ANY SALIENT CHANGE IN THE SECURITY POSTURE OF ANY OF THESE COUNTRIES WOULD LIKELY HAVE UNFAVORABLE REPRECUSIONS FOR THE OTHERS. IT WAS THEIR CONCERN WITH THIS POSSIBLY WHICH LED THEM TO PLAY SUCH

AN ACTIVE, AND FROM OUR VIE, CONSTRUCTIVE ROLE IN RESOLVING THE MOST RECENT COD WAR.

PARTICIPATION IN NATO GIVES NORWAY A ROLE AND VOICE IN EUROPEAN SECURITY ARRANGEMENTS. THE ALLIANCE PROVIDES NORWAY WITH A MULTILATERAL COUNTERWEIGHT TO HER FUNDAMENTALLY BILATERAL DEPENDENCE ON THE U.S. FOR SECURITY. NORWAY HAS AN ACTIVE BUT RATHER MODEST, DEFENSE FORCE SUPPORTED BY AN APPARENTLY INCREASING DEFENSE BUDGET. SINCE THE IMMEDIATE POST-WAR PERIOD, THE BUDGET HAS, HOWEVER, CONSTANTLY DECLINED RELATIVE TO THE NATIONAL BUDGET UNDER BOTH SOCIALIST AND NON-SOCIALIST GOVERNMENTS. THIS IS A PROBLEM COMMON TO OTHER EUROPEAN GOVERNMENTS, AND IT REFLECTS A RELATIVE DECLINE IN THE PRIORITY SUCCESSIVE POLITICAL LEADERS HAVE PUT ON DEFENSE EXPENDITURES. IN THE LONG RUN, IT IS A TREND POTENTIALLY INIMICAL TO U.S. SECURITY INTERESTS IN NORWAY AND WE WOULD GUESS IN EUROPE.

NORWEGIAN PUBLIC SUPPORT FOR NATO IS GENERALLY HIGH, ALTHOUGH YOUNGER NORWEGIANS WHOSE EXPERIENCE IS NOT MARKED BY TH EMOTIONAL SCARS AND LESSONS OF WW-II AND ITS AFTERMATH DO NOT AUTMATICALLY SHARE THEIR PARENTS DEEP-SEATED COMMITMENT TO NATO. THIS COMMITMENT WILL BE UNDERSCORED AGAIN THIS YEAR WHEN THE DEFENSE REVIEW COMMISSION REPORTS TO THE GOVERNMENT ON PARAMETERS FOR NORWEGIAN SECURITY POLICY THROUGH THE 1980S. THE REPORT WILL, WE EXPECT, REAFFIRM THE MAIN LINES OF NORWAY'S SECURITY POLICY AND ALMOST CERTAINLY CALL FOR REAL INCREASES IN ANTIONAL DEFENSE EXPENDITURES. THE RECENT SELECTION OF NORWAY'S DEFENSE CHIEF, GENERAL ZEINAR-GUNDERSEN, AS NATOS MILITARY CONFIDENTIAL

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COMMITTEE CHAIRMAN WILL HEIGHTEN ALSO NORWEGIAN AWARENESS OF HER NATO RESPONSIBILITIES; HIS REPLACEMENT AS NORWAY'S DEFENSE CHIEF, GENERAL HAMRE, IS A COMPETENT AND STRONG SUPPORTER OF THE ALLIANCE.

NORWAY ALSO SHARES OUR INTEREST IN EXPANDING NATO AS A FORUM FOR POLITICAL AS WELL AS MILITARY CONSULTATION. SINCE REJECTING EC MEMBERSHIP, THE NORWEGIANS HAVE BEEN EVEN MORE INSISTENT THAT THE NATO COUNCIL AND NOT AN EC-U. . BILATERAL DIALOGUE SHOULD BE THE PRIMARY FORUM FOR WESTERN POLITICAL CONSULTATIONS. BUT LIKE OTHER ALLIES, NORWAY WANTS GENUINE CONSULTATIONS AND NOT LECTURES FROM THE USG. BECUASE NORWEGIAN SECURITY IS DIRECTLY AFFECTED BY U.S. DECISIONS, IN THE COMING YEAR THEY WILL BE LOOKING FOR CONSULTATIONS ON SALT AND ON EURO-STRATEGIC FORCES; THEY WILL BE GENERALLY SUPPORTIVE ON MBFR THOUGH CONCERNED THAT FORCE REDUCTIONS IN CENTRAL EUROPE MAY RESULT IN SOVIET FORCES BEING REDEPLOYED TO THE NORTHERN FLANK.

NORWAY ACTIVELY ENCOURAGES NATO EXERCISES AND MANEUVERS. RECOGNIZING ITS DEPENDENCE ON OUTSIDE HELP IN CRISIS. NORWAY IS SEEKING TO IMPROVE ITS CAPABILITY TO RECEIVE REINFORCEMENTS;

RECENT LOC AND POL AGREEMENTS WITH THE U.S. SUPPORT THIS OBJECTIVE BUT MORE EFFORT IS NEEDED IN PREPOSITIONING OF EQUIPMENT AND DEFENSE MATERIEL. NORWAY SUPPORTS OUR ALLIANCE OBJECTIVES OF STANDARDIZATION AND INTEROPERABILITY; IT TOOK THE LEAD IN SHAPING THE EUROPEAN F-16 AIRCRAFT CONSORTIUM, IS ACQUIRING U.S. MILITARY EQUIPMENT SUCH AS THE ROLAND II AIR DEFENSE SYSTEM, AND HAS TAKEN RECENTLY A FORTHCOMING POSITION IN FAVOR OF OUR AWACS PROPOSAL.

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BUT THE NORWEGIANS ALSO FEEL THAT THIS MILITARY EQUIPMENT EXCHANGE MUST BE A MEANINGFUL TWO-WAY STREET, WHICH WILL GIVE THEM THE BENEFIT OF MORE JOBS WHILE SATISFYING MILITARY NEEDS. NATURALLY, THEY WANT US TO PURCHASE NORWEGIAN EQUIPMENT IN RETURN, SUCH AS THE PENGUIN MISSILE, AND TO MAKE BETTER PROVISIONS FOR THEM TO GAIN OFFSET BENEFITS, INCLUDING JOINT PRODUCTION AND EMPLOYMENT ARRANGEMENTS. WHILE THESE REQUESTS ARE NO DOUBT LEGITIMATE ONES, WE SHOULD ALSO TAKE STEPS TO INSURE THAT THE U.S. GAINS AS MUCH CREDIT AS IT DESERVES FOR OTHER U.S. PURCHASES AND CONTRIBUTIONS TO NORWAY'S DEFENSE WHICH ARE NOT COVERED BY THE EXISTING

F-16 AND 1968 OFFSET MOUS. IN A RELATED CONSIDERATION, WE WILL WANT TO CONSIDER STEPS THAT CAN BE TAKEN SHOULD NORWEGIAN LEGISLATION LIMITING THIRD COUNTRY SALES BE FOUND TO IMPACT
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THE F-16 PRODUCTION PROGRAM.

B. NORWEGIAN -SOVIET RELATIONS: THE NORWEGIANS SUPPORT REDUCED TENSIONS AND IMPROVED EAST-WEST RELATIONS AS THE NECESSARY BACKDROP BOTH FOR THEIR POLICY OF BALANCING DETERRENCE WITH LOW-TENSION IN THE REGION AND FOR THE OPPORTUNITY IT GIVES THEM FOR GREATER FREEDOM OF INTERNATIONAL ACTION. CONSEQUENTLY, THEY HAVE A VESTED INTEREST IN DETENTE, AND THEY WILL CONTINUE TO SUPPORT U.S. DETENTE POLICY. CONVERSELY, THEY BELIEVE PROBABLY CORRECTLY, THAT IF U.S. SOVIET RELATIONS COOL, THEIR OWN RELATIONS WITH THE RUSSIANS WILL SUFFER.

OVER THE PAST TWO YEARS NORWEGIAN-SOVIET RELATIONS HAVE TAKEN A DECIDED TURN FOR THE WORSE. THE TWO COUNTRIES ARE DISCUSSING IMPORTANT ISSUES IN THE BARENTS SEA AREA-SVALBARD, THE CONTINENTAL SHELF BOUNDARY AND FISHERIES--WHERE THEY HAVE GENUINE CONFLICTS OF INTEREST AND WHERE THE SOVIETS HAVE OFTEN AGGRESSIVELY AND CLUMSILY EMPLOYED THE CARROT AND STICK TREATMENT. NORWAY'S PUBLIC ATTITUDE TOWARD THE USSR HAS DETERIORATED BECAUSE OF THE SOVIET

REFUSAL TO GRANT VISAS TO NOBEL PEACE PRIZE WINNER SAKHAROV TO VISIT OSLO AND TO LEADING NORWEGIANS TO VISIT THE USSR. THESE ACTIONS HAVE SPOTLIGHTED THE DISAPPOINTING SOVIET HUMAN RIGHTS AND CSCE PERFORMANCES. RECENT REVELATIONS OF SOVIET SPYING IN NORWAY AND THE UNREMITTING SOVIET ARMS BUILDUP GENERALLY AND IN THE NEARBY KOLA PENINSULA IN PARTICULAR HAS CREATED ADDITIONAL PUBLIC CONCERN ABOUT SOVIET INTENTIONS IN NORWAY.

UP TO NOW THE NORWEGIAN GOVERNMENT HAS RESISTED SOVIET PRESSURES AND STOOD FIRM IN THE BILATERAL NORTHERN NEGOTIATIONS, DEPENDING ON ITS BILATERAL TIES WITH THE U.S. AND NATO MEMBERSHIP. IN THIS CONTEXT THE GON HAS FOUND OUR BILATERAL CONSULTATIONS ON SVALBARD A PARTICULARLY REASSURING AND USEFUL DEMONSTRATION OF U.S. SUPPORT FOR NORWAY IN THE NORTH. BUT, IF U.S. -SOVIET RELATIONS SHOULD WORSEN OVER THE PERIOD AHEAD FOR WHATEVER REASON, THE NORWEGIANS FORESEE THAT THE SOVIETS COULD BECOME MORE RTRUC-
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ULENT TOWARD. NORWAY. IN THE SHORT RUN, SOVIET BLUSTERING PROBABLY ONLY SERVES TO STIFFEN NORWAY'S BACK AND MAKE WORKABLE COMPROMISES ON OUTSTANDING ISSUES MORE DIFFICULT. BUT IF THERE WAS A PERIOD

OF LONGER-TERM U.S. -SOVIET COOLNESS, AND SUBSEQUENT CONTINUED SOVIET TOUGHNESS HERE, THE NORWEGIANS MIGHT BE INDUCED TO SEEK TO REDUCE CONFLICT WITH THE SOVIETS BY ASSUMING A MORE NATURAL, SWEDEN-LIKE STANCE, A COURSE NOT UNTHINKABLE IN THIS INSULAR AND ISOLATED COUNTRY. IT IS IMPERATIVE, THEREFORE, THAT NORWAY CONTINUE TO BE PERSUADED OF OUR COMMITMENT TO NORWAY AND THAT WE AVOID ACTIONS WHICH MIGHT IMPLY--EITHER TO OSLO OR TO MOSCOW--A DIMINUTION OF THAT COMMITMENT.

C. ECONOMIC GROWTH WITH DISLOCATIONS: ECONOMIC CHANGE IS A DYNAMIC FORCE IN NORWAY TODAY. THE LONG TERM POST-WAR EXPANSION BOOSTED BY OIL HAS PROVIDED NORWAY A NEW MEASURE OF ECONOMIC SECURITY AND OPENED NEW OPPORTUNITIES FOR A NORWAY MORE ENGAGED IN WORLD ECONOMIC MATTERS. AT THE SAME TIME THE EXPANSION HAS FED A GROWING SELF-SATISFACTION AMONG MANY NORWEGIANS, CHARACTERIZED BY ECONOMIC NATIONALISM AND BY MORE AGGRESSIVE LABOR GOVERNMENT MEASURES TO PROMOTE GOVERNMENT-OPERATED FIRMS AT THE EXPENSE OF FOREIGN FIRMS. A GOOD EXAMPLE OF THIS IS FOUND IN THE OIL INDUSTRY. ONE OF OUR KEY LONGER TERM TASKS IS TO ENCOURAGE NORWAY TO CONVERT ITS NEW ECONOMIC STRENGTH INTO WIDER INTERNATIONAL COOPERATIVE VENTURES AND TO INCREASE ITS CONTRIBUTION TO ALLIANCE DEFENSE RATHER THAN TO WITHDRAW INTO AN INSULAR COCOON.

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STOCKHOLM
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USMILREP NATO

SACEUR POLAD

USDOCONORTH KOLSAS

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THE NORWEGIAN ECONOMIC GROWTH IS NOT WITHOUT ITS DISLOCATIONS. IT HAS CREATED HIGH WAGES AND COSTS, WHILE THE WORLD ECONOMIC RECESSION HAS CAST ITS SHADOW OVER SEVERAL OF THE COUNTRY'S KEY INDUSTRIES. SHIPBUILDING FIRMS ARE SUFFERING FOR LACK OF ORDERS. SOME 30 PERCENT OF NORWAY'S LARGE, MODERN TANKER TONNAGE, STILL ESSENTIAL TO THE NATIONAL ECONOMY, IS LAID UP. IN COMING YEARS, THE DOMESTIC LABOR COST PROBLEM WILL BE MORE CRITICAL FOR SOME KEY EXPORT INDUSTRIES, CREATING PRESSURES ON THE GOVERNMENT TO SUBSIDIZE THEM. FOR A COUNTRY TRADITIONALLY DEDICATED TO THE PRINCIPLES OF FREE AND OPEN TRADE AND STILL LARGELY DEPENDENT ON FOREIGN TRADE,
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THESE WILL NOT BE EASY DECISIONS. ON THE WORLD SCENE, NORWAY LOOKS HOPEFULLY TO THE NEW U.S. ADMINISTRATION TO LEAD IN RESTORING WESTERN ECONOMIC GROWTH AND FREER WORLD TRADE.

THIS RELIANCE ON U.S. ECONOMIC LEADERSHIP COULD BE UNDERMINED IN NORWAY, HOWEVER, IF WE MOVE TOWARD RESTRICTIVE MEASURES WHICH SIGNAL A CHANGE IN OUR FREE TRADE POLICY AND INFLICT HARDSHIP DIRECTLY ON THE NORWEGIAN INDUSTRIES. ONE SIGNIFICANT IMMEDIATE CASE IN POINT IS THE IMPENDING U.S. CARGO PREFERENCE LEGISLATION, THE NEGATIVE POLITICAL IMPACT OF WHICH COULD BE EVEN MORE PROFOUND THAN ITS HARMFUL ECONOMIC EFFECT HERE. THE LEGISLATION IS STRONGLY OPPOSED BY NORWAY AS UNECONOMIC AND HARMFUL TO FREE TRADE, NORWAY'S SUFFERING SHIPPING INDUSTRY AND ITS BARGAINING POSITION WITH THE USSR. THE FOREIGN MINISTER HAS EXPRESSED THE GOV'S CONCERN THAT BOTH NORWEGIANS AND SOVIETS WOULD LIKELY PERCEIVE THE IMPOSITION OF SUCH LEGISLATION AS DIMINISHING U.S. SUPPORT FOR NORWAY,
AT A TIME WHEN NORWAY IS ENGAGED IN IMPORTANT NEGOTIATIONS WITH THE USSR. WE SHOULD THEREFORE, NOT UNDERESTIMATE THE POLITICAL SIGNIFICANCE OF SUCH LEGISLATION ON NORWAY.

D. ELECTION YEAR: NORWAY WILL HOLD NATIONAL ELECTIONS IN SEPTEMBER. IT IS HARD TO PREDICT WHETHER THE MINORITY RULING LABOR PARTY OR THE CHALLENGING NON-SOCIALISTS WILL WIN. IN TERMS OF AMERICAN INTERESTS HERE, IT PROBABLY DOES NOT MATTER, SINCE THERE IS BROAD SUPPORT ACROSS NORWEGIAN SOCIETY FOR NORWEGIAN DEFENSE AND SECURITY POLICY. THEREFORE, EITHER A SOCIALIST OR NON-

SOCIALIST GOVERNMENT CAN BE EXPECTED TO CONTINUE THE BASIC LINES OF NORWEGIAN POLICY FOLLOLED FOR THE PAST 30 YEARS BY SUCCESSIVE GOVERNMENTS,; 48, LEFT AND CENTER. IT MIGHT BE ARGUED THAT OUR INTEREST WOULD BE BEST SERVED BY A LABOR GOVERNMENT. ROOTED IN THE LARGE AND POWERFUL LABOR MOVEMENT WHICH HAS BEEN BULWARK OF SUPPORT FOR NORWAY'S NATO MEMBERSHIP OVER THE YEARS, HTE
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LABOR PARTY WOULD PROBABLY PROVIDE STRONGER GOVERNMENT. STILL, LABOR MIGHT TEND TO BE MORE TOLERANT THAN A NON-SOCIALIST GOVERNMENT OF LDC INTERESTS, IN DEVELOPING WORLD QUESTIONS, ON LEFTIST

VIEWS ON ISSUES SUCH AS EUROCOMMUNISM BECAUSE OF ITSSTRONG LEFTIST ELEMENT. A NON-SOCIALIST REGIME WOULD FIRMLY SUPPORT THE MAIN LINES OF ESTABLISHED FOREIGN AND DEFENSE POLICIES AND MIGHT BE CLOSER TO THE U.S. ON LDC AND EAST-WEST ISSUES. BUT IT WOULD PROBABLY BE WEAKER AND LESS DECISIVE IN DEALING WITH INTERNATIONAL ENERGY MATTERS AND WITH EUROPE.

PERHAPS OUR ONLY INTEREST IN THE ELECTION IS NOT IN WHO WINS IT, BUT IN WHO LOSES IT. IF THE LABOR PARTY LOSES THE ELECTION, IT COULD WELL SWITCH TO YOUNGER, MORE LEFTIST LEADERSHIP AND OVER THE COMING YEARS IN OPPOSITION BECOME PROGRESSIVELY MORE RADICAL. UNDER THESE CIRCUMSTANCES, WHEN LABOR RETURNED TO POWER AS IT MOST LIKELY WOULD WITHIN A MATTER OF YEARS, WE COULD BE FACED WITH A MARKEDLY LESS SYMPATHETIC NORWEGIAN GOVERNMENT.

III. OBJECTIVES, COURSES OF ACTION AND ISSUES

A. PRINCIPAL U.S OBJECTIVES IN NORWAY ARE:

1. TO MAINTAIN AND INTENSIFY NORWAY'S COMMITMENT AND CONTRIOUTION TO THE PARTNERSHIP OF THE WESTERN DEMOCRACITES, SEEKING SPECIFICALLY:

--TO INCREASE NORWAY'S ACTIVE PARTICIPATION IN THE NATO ALLIANCE;

--TO STRENGTHEN THE COMPLEMENTRY U.S.-NORWEGIAN BILATERAL DEFENSE COOPERATION, IN PARTICULAR TO IMPROVE NORWAY'S CAPABILITY TO RECEIVE REINFORCEMENTS;

--TO ENCOURAGE STRONG, RATIONAL, MODERN, NORWEGIAN
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NATIONAL DEFENSE POLICIES THAT COMPLIMENT THOSE OF
HER NATO ALLIES; AND

--TO MAKE DEFENSE SPENDING
MORE EFFECTIVE WHILE
INCREASING THE DEFENSE BUDGET;

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MOSCOW
REYKJAVIK
STOCKHOLM
USMISSION USUN NY
CICNCLANT FOR POLAD
USMILREP NATO
SECEUR POLAD
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C O N F I D E N T I A L SECTION 6 OF 9 OSLO 1540

2. TO SUPPORT NORWAY IN DEFENDING HER OWN WESTERN
INTERESTS IN RELATION WITH THE USSR;

3. TO COMBAT NORWAY'S HISTORIC TENDENCY TO INSULARITY BY
ENCOURAGING HER TO PARTICIPATE MORE ACTIVELY IN THE POLITICAL AND
ECONOMIC AFFAIRS OF WESTERN NATIONS;

4. TO FOSTER BETTER UNDERSTANDING AND CLOSER COOPERATION
BETWEEN NORWAY AND U.S. PARTICULARLY AMONG THE UPCOMING GENERATION
OF NORWEGIANS LEADERS;

5. TO DEEPEN NORWEGIAN UNDERSTANDING OF AND SUPPORT FOR

U.S. POSITIONS IN MULTILATERAL FORA SUCH AS THE UN, ILO, UNCTAD
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OECD, AND LOS;

6. TO ENCOURAGE NORWAY TO INCREASE ITS OIL DEVELOPMENT;
AND;

7. TO FURTHER U.S. ECONOMIC AND COMMERCIAL INTERESTS BY
EXPORT PROMOTION AND BY ENCOURAGING NON-DISCRIMINATORY TREATMENT
OF U.S. INVESTMENTS AND PRODUCTS AND CONTINUED U.S. PARTICIPATION
IN NORWEGIAN OIL EXPLORATION.

B. PROPOSED ACTIONS FOR IMMEDIATE ATTENTION

1. PRESIDENTIAL MEETING WITH PRIME MINISTER NORDLI AT
NATO SUMMIT: THE NORWEGIANS WANT PRIME MINISTER NORDLI TO MEET
WITH THE PRESIDENT THIS YEAR. THEY WERE HOPING NORDLI WOULD BE
INVITED TO WASHINGTON. THEY HAVE RECENTLY ASKED IF A MEETING
COULD BE SCHEDULED DURING THE NATO SUMMIT. I RECOMMEND THAT A
BRIEF PRIVATE MEETING BE ARRANGED AT THE LONDON NATO GATHERING.
I BELIEVE BOTH LEADERS WOULD BENEFIT AND THE NORWEGIANS WOULD
CONSIDER THIS A SATISFACTORY ALTERNATIVE TO A WASHINGTON VISIT.
I HAVE OUTLINED OUR VIEWS AND RATIONALE FOR SUCH A MEETING IN OSLO
1357.

2. VICE PRESIDENTIAL VISIT TO NORWAY; A HIGHLY VISIBLE
ACTION TO SUPPORT U.S. OBJECTIVES IN NORWAY THIS YEAR WOULD BE A
VICE PRESIDENTIAL VISIT HERE. THE NORWEGIANS HAVE ALREADY INVITED
VICE PRESIDENT TO VISIT NORWAY AS PART OF A WIDER SCANDINAVIAN
TOUR. SUCH A VISIT WOULD BE VALUABLE IN FURTHERING U.S.
OBJECTIVES AND PROVIDING AN OPPORTUNITY FOR A HIGH LEVEL EXCHANGE
OF VIEWS. IN LIGHT OF THE VICE PRESIDENT'S NORWEGIAN ANCESTRY AND
HIS POPULARITY HERE, IT WOULD SERVE TO RE-EMPHASIZE THE CLOSE
TIES OF BLOOD, CULTURE, AND IDEALS THAT HELP BIND OUR TWO NATIONS
TOGETHER. I RECOMMEND THAT THE VICE PRESIDENT VISIT NORWAY IF
AT ALL POSSIBLE.

3. STOP OR MODIFY U.S. OIL CARGO PREFERENCE LEGISLATION:
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WE HAVE SPELLED OUT IN SOME DETAIL THE SERIOUS ECONOMIC AND POLITICAL
EFFECTS WE BELIEVE THE OIL PREFERENCE LEGISLATION WOULD HAVE ON
NORWAY (OSLO 1273). WHILE RECOGNIZING MANY FACTORS MUST GO INTO
THE ADMINISTRATION'S POSITION, WE URGE THE ADMINISTRATION TO CONSIDER
FULLY THE IMPORTANCE OF SHIPPING TO SOME OF OUR ALLIES AND THE

LEGISLATION'S HARMFUL EFFECTS NOT JUST ON THEIR ECONOMIES, BUT MORE IMPORTANTLY ON THEIR ATTITUDE TOWARD THE U.S. AS AN ALLY. IF SOME FORM OF OIL CARGO PREFERENCE LEGISLATION BECOMES INEVITABLE, I RECOMMEND WE SEEK WAYS TO MITIGATE THE ADVERSE EFFECTS ON ALLIES SUCH AS NORWAY.

C. PROPOSED ACTIONS OVER THE COURSE OF THE YEAR.

1. TO ENCOURAGE NORWAY TO INCREASE ITS DEFENSE SPENDING AND TO PUT ITS SPENDING TO MORE EFFECTIVE USE, I RECOMMEND THAT --THE USG INVITE FINANCE MINISTRY AND OTHER KEY GON OFFICIALS TO THE U.S. ON VISITS WHICH WILL INCLUDE FULL DISCUSSION ON NEEDS FOR RATIONAL AND GREATER DEFENSE SPENDING; AND --WE USE NATO DEFENSE PROGRAM REVIEW COMMITTEE MECHANISM TO TAKE ACCOUNT OF NORWAY'S GENERALLY IMPROVED ECONOMIC POSITION AND POINT OUT NORWAY'S POSSIBILITY FOR RATIONALIZING AND INCREASING ITS DEFENSE EXPENDITURES, PARTICULARLY IN AREAS OF IDENTIFIED WEAKNESS, SUCH AS AIR DEFENSE.

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FM AMEMBASSY OSLO
TO SECSTATE WASHDC 3479
INFO USMISSION NATO
AMEMBASSY COPENHAGEN
HELIINKI
MOSCOW
ZNE/REYKJAVIK
STOCKHOLM
USMISSION USUN NY
CINCLANT FOR POLAD
USMILREP NATO
SACEUR POLAD
USDOCO NORTH KOLSAS

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2. TO MAKE NORWEGIAN DEFENSE SPENDING MORE EFFECTIVE, I RECOMMEND WE CONTINUE TO PRESS FOR THE IMPLEMENTATION OF IMPORTANT HIGH TECHNOLOGY DEFENSE PROJECTS IN NORWAY--E.G. ROLAND II, NIKE REPLACEMENT AND AWACS. TO HELP UPGRADE NORWAY'S DEFICIENCIES IN AIR AND AIRFIELD DEFENSE, I RECOMMEND WE URGE NORWAY:

--TO TAKE FINAL STEPS TOWARD PURCHASE OF THE SHORT RANGE AIR DEFENSE SYSTEM, ROLAND II;

--TO PURCHASE A HIGH ALTITUDE AIR DEFENSE SYSTEM REPLACEMENT (I.E.; THE PATRIOT MISSILE SYSTEM); AND

--TO CONSIDER INCREASING ITS PURCHASE OF F-16 AIRCRAFT
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FROM THE CURRENTLY AGREED 72.

3. TO TAKE ADVANTAGE OF NORWAY'S GENERALLY FAVORABLE ATTITUDE TOWARD STANDARDIZATION AND INTEROPERABILITY, I RECOMMEND THE EMBASSY AND WASHINGTON AGENCIES:

--WORK CLOSELY TOGETHER OVER THE COURSE OF THE YEAR TO FINDS WAYS TO INCREASE U.S. PURCHASE OF NORWEGIAN MILITARY EQUIPMENT, SUCH AS THE PENGUIN MISSILE, WHICH WOULD MAKE OUR EXCHANGE MORE OF A TWO-WAY STREET; AND
--TO DEVISE A BETTER MEANS FOR TALLYING AND GETTING CREDIT FOR OTHER U.S. PURCHASES AND CONTRIBUTIONS TO NORWEGIAN DEFENSE WHICH ARE NOT CURRENTLY COVERED BY THE F-16 MOU OFFSET PROGRAM AND THE 1968 U.S.-NORWEGIAN MOU ON RECIPROCAL USG/GON PURCHASES OF MILITARY MATERIEL;

4. TO AVOID PROBLEMS WHICH MAY ARISE SHOULD NORWAY'S RESTRICTIVE CONDITIONS ON THIRD COUNTRY SALES MAKE IT IMPOSSIBLE FOR THE NORWEGIANS TO PARTICIPATE IN COPRODUCTION OF F-16 AIRCRAFT FOR SALE TO SOME COUNTRIES, I RECOMMEND THE USG BEGIN CONSIDERING ALTERNATIVE ARRANGEMENTS FOR HANDLING NORWEGIAN PRODUCED PARTS. (THE EMBASSY WILL BE SENDING A SEPARATE BACKGROUND COMMUNICATION TO WASHINGTON ON THIS MATTER).

5. TO ENCOURAGE THE GON TO MOVE AHEAD PREPARATIONS FOR PREPOSITIONING AND REINFORCEMENT, I RECOMMEND THAT AFTER CONCLUSION OF THE BILATERAL LINES OF COMMUNICATION (LOC) AND POL STORAGE AGREEMENTS THIS YEAR THE USG CONTINUE STEPS TO PROMOTE EARLY IMPLEMENTATION OF THESE AGREEMENTS BY RAPIDLY PREPOSITIONING THE REQUIRED MILITARY EQUIPMENT AND MATERIEL IN NORWAY. NORWAY SHOULD BE ENCOURAGED TO UNDERTAKE SUCH DEDICATED MATERIEL.

6. TO DOLIDIFY AND EXPAND THE STEPS ALREADY TAKEN TO
EVIDENCE NORWEGIAN INVOLVEMENT IN THE ALLIANCE, AND U.S. BILATERAL
SUPPORT AND ALLIANCE INTEREST IN THE NORTHERN FLANK, I RECOMMEND
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THAT:

--THE ALLIANCE CONTINUE TO CONDUCT REGULAR
AND FREQUENT NATO EXERCISES AND ANEUVERS IN NORWAY;

--THE U.S. CONTINUE AN ACTIVE SCHEDULE OF NAVAL SHIP
VISITS TO NORWEGIAN PORTS--INCLUDING NUCLEAR POWERED SHIP
VISITS, TO INCLUDE NEW PORTS AND GREATER VISIBILITY
AFTER THE SEPTEMBER NATIONAL ELECTIONS;

--WE COMPLETE AND POSSIBLY EXPAND ARRANGEMENTS WITH
THE GON TO PROVIDE
ARCTIC TRAINING TIN NORWAY TO
U.S. FORCES WITH REINFORCEMENT MISSIONS HERE;

--THE U.S. CONTINUE TO LOOK FOR TRAINING OPPORTUNITIES
IN THE U.S. FOR NORWEGIAN FORCES, AND

--THE USG INVITE THE NEW CHOD, GENERAL SVERRE HAMRE,
TO VOSIT WASHINGTON TO MEET WITH U.S. MILITARY AND
CIVILIAN OFFICIALS, AT THE ARLIES CONVENIENT DATE.

7. TO BROADEN NORWEGIAN APPRECIATION OF THE ALLIANCE AND
NORWAY'S ROLE IN IT WE HAVE EXAMINED OUR USIS PROGRAMMING AND HAVE
ALREADY REORINETED THE PROGRAM TO PROVIDE GREATER FUNDING AND
FOCUS TO ENCOURAGING MORE NORWEGIAN SUPPORT FOR THE ALLIANCE.
THESE PLANS ARE SPELLED OUT IN THE USIS COUNTRY PLAN FOR WHICH I
RECOMMEND WASHINGTON'S SUPPORT.

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R 311510Z MAR 77
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INFO USMISSION NATO
AMEMBASSY COPENHAGEN
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STOCKHOLM
USMISSION USUN NY
CINCLANT FOR POLAD
USMILREP NATO
SACEUR POLAD
USDOCO NORTH KOLSAS

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8. TO FOSTER A BETTER OVERALL UNDERSTANDING OF THE U.S.
AND U.S. VIEWS I RECOMMEND THAT:

--STATEDEPARTMENT'S BUREAU OF CULTURAL AFFAIRS
SUBSTANTIALLY EXPAND OUR IVP PROGRAMMING WHICH I
CONSIDER TO BE ONE OF OUR TOP PRIORITY
PROGRAMS, AND MOST EFFECTIVE MEANS OF REACHING
THE YOUNGER GERNATION WHICH HAS EVIDENCED
MORE SKEPTICISM OF THE U.S. WE CAN DO MUCH MORE IF
WE CAN HAVE ADDITIONAL RESOURCES. AND INCREASE IN FY-
1978 OF \$20,000 OVER THE FY-1977 PROGRAM, BRINGING
OUR TOTAL FOR FY-1978 TO *56,000 WILL BRING OUR
PROGRAM MORE IN LINE WITH OUR NEEDS AND;
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--WE PROVIDE ADDITIONAL SUPPORT TO OUR SUCCESSFUL PROGRAM
TO ESTABLISH CLOSER TIES BETWEEN THE NORWEGIAN AND U.S.
LABOR MOVEMENTS THROUGH WASHINGTON'S ENCOURAGEMENT OF
THE AFL:CIO TO BROADEN LINKS WITH SCANDINAVIAN UNIONS
AND THROUGH THE PROVISION OF ADDITIONAL LABOR SPECIALISTS
TO SERVE AS SPEAKERS HERE.

9. TO SUPPORT NORWAY IN HE RELATIONS WITH THE USSR, WE
SHOULD CONTINUE TO PROVIDE APPROPRIATE ENCOURAGEMENT TO
NORWAY IN TH NORTH WHILE PROTECTING U.S. INTERESTS. I RECOMMEND
THAT;

--WE HOLD OPEN THE POSSIBILITY OF CONDUCTING ANOTHER
ROUND OF THE SVALBARD TALKS LATER THIS YEAR. POLITICAL
AND SUBSTANTIVE REASONS MIGHT MAKE SUCH TALKS USEFUL

TO EITHER OR BOTH OUR COUNTRIES. THE FACT OF CONTINUING THESE TALKS MAY PROVE HELPFUL TO THE NORWEGIANS IN DEALING WITH THE USSR IN THE NORTH. SINCE IT COULD DIRECTLY AFFECT U.S. INTERESTS, WE MAY WISH TO DISCUSS EARLY ON WITH THE GON ITS PLANNING AND DECISIONS ON A SVALBARD FISHERY PROTECTION ZONE.

--WE INVITE THE MFA'S NEW DIRECTOR GENERAL FOR POLITICAL AFFAIRS, THORBJORN CHRISTIANSEN, TO WASHINGTON FOR MEETINGS AND DISCUSSIONS WITH LEADING U.S. GOVERNMENT OFFICIALS AS A CONTINUATION OF EARLY BILATERAL TALKS CONDUCTED BY HIS PREDECESSOR. BUT THE VISIT COULD ALSO BE BILLED AS A CONTINUATION OF OUR BILATERAL SVALBARD CONSULTATIONS IF BOTH SIDES DECIDED THAT WOULD BE USEFUL; AND

--THE DEPARTMENT WORK WITH THE NATIONAL SCIENCE FOUNDATION TO REACH A DECISION ON THE NANSEN DRIFT STATION PROJECT AND WITH APPROPRIATE MEMBERS OF THE U.S. SCIENTIFIC COMMUNITY TO ENCOURAGE UNDERTAKING SCIENTIFIC PROJECTS
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WHICH WILL ENHANCE THE U.S. PRESENCE ON SVALBARD.

10. TO INCREASE NORWEGIAN SUPPORT FOR U.S. POSITIONS ON MULTILATERAL ISSUES I RECOMMEND THAT:

--THE USG INVITE OSCAR VAERNO, NORWAY'S NEW AMBASSADOR TO THE UNGA SPECIAL SESSION ON DISARMAMENT (SSOD) AND HIS IMMEDIATE ASSOCIATES TO VISIT WASHINGTON FROM NEW YORK IN MAY TO MEET WITH APPROPRIATE HIGH LEVEL U.S. OFFICIALS;

--IF APPROPRIATE, THE U.S. SUPPORT NORWAY'S CANDIDACY AS THE WESTERN SSOD BOARD MEMBER;

--APPROPRIATE ARRANGEMENTS BE MADE FOR GON/MFA DEPUTY SECRETARY STOLTENBERG TO VISIT WASHINGTON AND MEET WITH U.S. OFFICIALS THIS SPRING ON UNCTAD AND NORTH-SOUTH MATTERS WITH A VIEW TO ENCOURAGING THE NORWEGIANS TOWARD SUPPORT OF U.S. VIEWS IN THESE AREAS;

--THE DEPARTMENT RESUME THE EARLIER SUCCESSFUL PRE-UNGA CONSULTATIONS WITH GON EXPERTS, ON BOTH POLITICAL AND ECONOMIC ISSUES, BY SENDING AN AUTHORITATIVE EXPERT TO VISIT OSLO IN AUGUST BEFORE THE NRDIC UNGA CONSULTATIONS FOR THE FALL UNFA SESSION; AND

--THE DEPARTMENT GIVE FAVORABLE CONSIDERATION T NORWAY'S CANDIDACY FOR THE 1979-80 UN SECURITY COUNCIL SEAT.

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USMILREP NATO
SACEUR POLAD
USDOCO NORTH KOLSAS

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11. TO PROMOTE THE SALE OF U.S. EQUIPMENT AND SERVICES
PARTICULARLY IN THE FIELD OF METAL WORKING, BUILDING SUPPLIES
AND EQUIPMENT, AND COMPUTERS I RECOMMEND THAT WASHINGTON AGENCIES
GIVE FULL SUPPORT TO OUR COUNTRY COMMERCIAL PROGRAM CAMPAIGNS
OUTLINED IN OSLO 827.

IT IS MY VIEW THAT IF WE ARE GIVEN THE SUPPORT CALLED FOR
ABOVE AND PROVIDED THE RESOURCES REQUESTED IN PARTS II AND III
OF THIS ASSESSMENT, THE USG CAN SUCCESSFULLY PROMOTE ITS MAJOR
INTERESTS AND CARRY OUT ITS PRINCIPEL OBJECTIVES IN NORWAY.
ANDERS

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